

lending and desired that banks should examine financing farmers for purchase of agricultural land and boost agricultural produce and further emphasized to formulate a suitable scheme for the purpose. As a sequel, to this Indian Banks' Association (IBA) has framed a scheme and forwarded it to the Ministry of Finance. The same is being examined in consultation with Reserve Bank of India (RBI)/ National Bank for Agriculture and Rural Development (NABARD).

#### **International Status of IDBI**

† 608. SHRI D.P. YADAV: Will the Minister of FINANCE be pleased to state: whether Government are working on any scheme to give the status of international bank of IDBI; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): No proposal is under consideration at this stage to give the status of universal bank to IDBI.

#### **Impact of Fifth Pay Commission's Report on States**

609. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether government are aware that the implementation of the Fifth Pay Commission's recommendations has caused financial crisis in some States and made them unable to spend on social sectors even; and

(b) if so, the steps taken for those States in order to redress their financial crunch?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The Eleventh Finance Commission in their main report for 2000—05 has observed that the impact of Fifth Pay Commission has aggravated budget imbalances of the States which has impacted adversely on social services.

(b) The Eleventh Finance Commission has assessed the revenue

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† Original notice of the question was received in Hindi.

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and expenditure requirements of the States and have recommended for transfer of Rs. 434905.40 crore to the States for the period 2000-05, which is an increase of 91.89 per cent over that of the transfers recommended by the Tenth Finance Commission for the period 1995-2000.

**Debt Relief to NE States at Par with J&K**

610. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Eleventh Finance Commission have recommended regarding the expenditures incurred by Jammu and Kashmir prior to 1991 for assessment by the Ministry of Home Affairs and Finance with State Government for providing debt relief to the State;

(b) if so, the progress made in this regard and amount of debt relief provided to the State; and

(c) the reasons not recommended by the Commission to provide debt relief to the North East States where the law and order situation is not better than that of J and K?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Ministry of Home Affairs (Department of J&K Affairs) has already assessed the arrears of Security Related Expenditure in respect of Jammu & Kashmir for the period 1989-1998 and settled the same as per the existing guidelines for reimbursement of security related expenditure.

(c) The Eleventh Finance Commission as per its terms of reference was required to make an assessment of the debt position of all States as on 31.03.1999 and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and the States. The Government of India has since, accepted the recommendations of the Finance Commission.